

Communist Aid and Trade Activities
in Less Developed Countries, October 1975

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25X1A

Analysts:

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Contents and Summary of Events

(October 1975)

Highlights

- . The USSR signed its first economic cooperation agreements with Cyprus and the Malagasy Republic. The amounts of aid involved were not specified.
- . Peking extended its first aid to Gabon, a \$25 million credit.
- . East European pledged aid to the Congo and Egypt totalled \$35 million.
- . Morocco ordered a slowdown in economic negotiations with the USSR to limit increases in Soviet activities in Morocco.
- . Peru is considering major new purchases of Soviet arms.
- . The USSR has agreed to provide Syria with additional sophisticated weapons.

Articles

Iran-USSR Economic Relations Continue to Warm

Assesses the growth of Soviet-Iranian relations.

Soviet Arms Sales to Peru

Examines Soviet efforts to increase its share of the Peruvian arms market.

Soviet Trade with Less Developed Countries, 1974

Summarizes Soviet-LDC Trade Performance in
1974.

Activities During October

Economic

Military

Iran-USSR Economic Relations Continue to Warm

Soviet-Iranian economic relations are entering a new phase ⁱⁿ Tehran, with its increased wealth, is shedding its client status.

A recent agreement calls for cooperative efforts to undertake, in both countries, projects whose estimated eventual cost could run as high as \$3 billion.

Tehran ^{also} became an aid donor, when it ^{recently} agreed in principle to provide credits for a paper complex in the USSR. (FOUO)

Soviet Economic Aid to Iran, 1963-75

The changing relationship is built upon more than a decade of mutually beneficial arrangements made ^{possible} passive by their common border.

Beginning with an agreement in 1963, Soviet aid has expanded to about \$800 million ^{to build a border dam} include a steel mill, a gas pipeline, and smaller industrial, and agro-industrial facilities. (see map) (S)

The dam's power and water for irrigation is allocated in equal shares to Iran and the USSR. The gas pipeline from Iran's gas fields to the Soviet border enables Iran to sell a former waste product to service its economic and military debt to the USSR. Moscow is using the gas to meet ^{its} growing energy requirements in Azerbaijan and the Transcaucasus while saving the costs of transportation ^{in gas} gas from distant fields. ^{The gas deal} It also allows releases some Soviet gas for sale at higher prices in Western Europe. The steel mill was provided by the Soviets at a time that no other country was willing to finance it.

contemplated under the 15-year cooperation agreement signed in 1972 are a further expression of their mutual economic interests. A second border dam and gas pipeline ^{and planned} ~~is projected~~, and capacity at the steel mill is to be nearly tripled by 1978; ~~and~~ September protocols provide for electrifying a 90-mile line from Tabriz in Iran to Julfa on the Soviet border and for studies to build a 100-mile railroad from Mashad in Iran to Tadjhen in the USSR. Negotiations also are in progress for another 200-mile line from Qazvin to Astara, on the Soviet border.

(These transport links will help accomodate the growing USSR-Iranian trade as well as the increasing amount of Eastern European goods being shipped to Iran through the USSR. ^(FOUO) Some of these new projects will likely be covered by the \$250-\$300 million of aid still outstanding under old credits. Moscow has usually carried through with its aid pledges despite changing circumstances and will undoubtedly be willing to accept payment in natural gas. Some will likely be financed by Iran or jointly but ~~with~~ the Soviets ^{will} continue to provide the equipment and technical assistance. (S)

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Military Aid

Although ^{Tehran} relies on the West for all sophisticated weapons, ^{it} Tehran has purchased [REDACTED] Soviet military support equipment and arms since 1967 for its ground forces. The ability to pay for ^{more} goods with natural gas undoubtedly was an important factor in Iran's decision to buy this equipment.

(S/NOFORN)

Soviet-Iranian Trade (a)

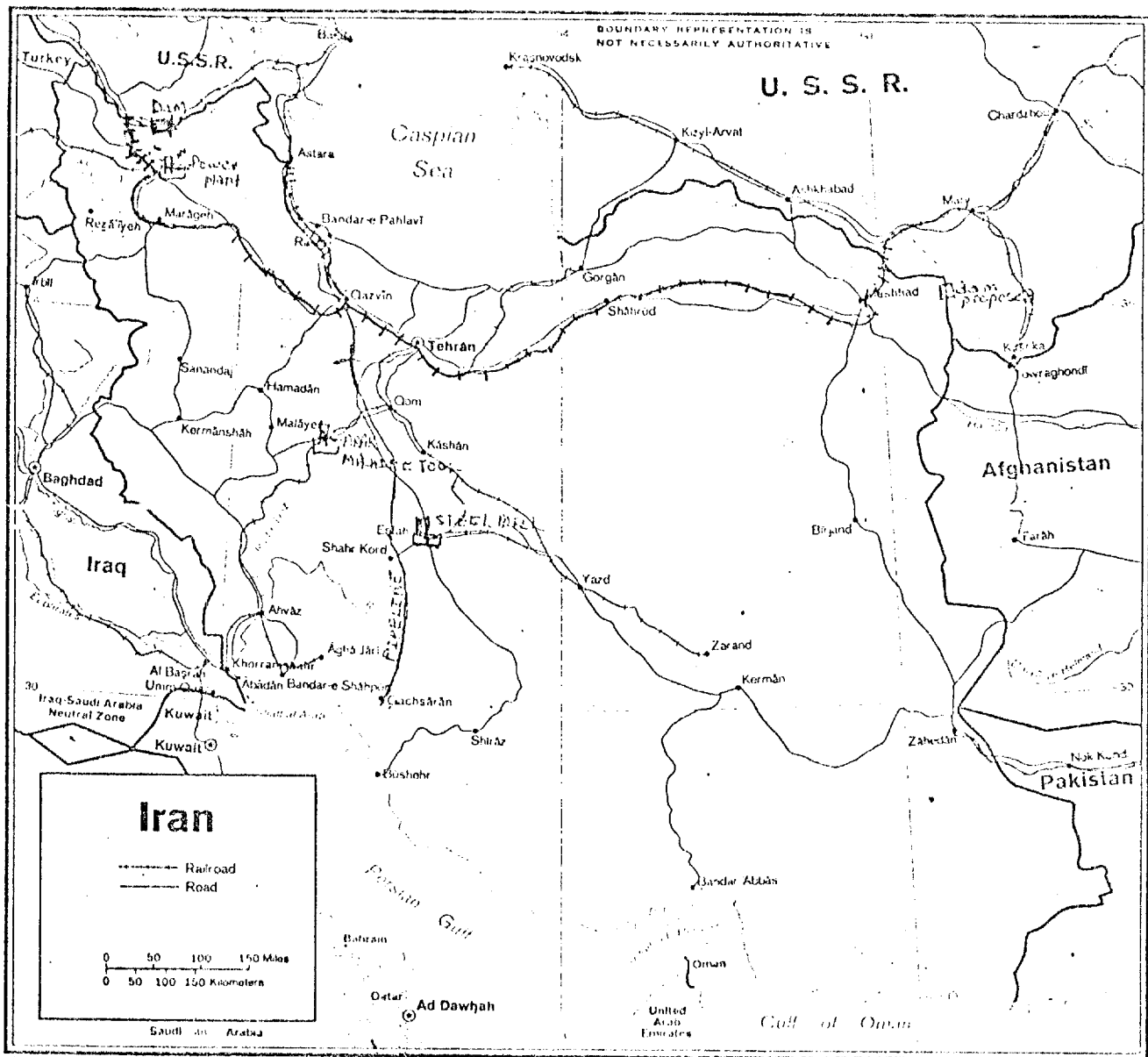
The rising trade between the two ^{countries} mainly reflects the expanding Soviet aid program. By 1973 trade had risen to 8 times the 1962 level; total trade shot up another 75% in 1974. For the first time in 3 years ^{the USSR} Moscow ran a ^{for the first time} surplus -- \$47 million --

... increased exports of machinery and equipment, building materials, chemicals, and edible oils, which outran expanding imports. (u)

	Million US. \$	
	<u>1973</u>	<u>1974</u>
Soviet Exports	185	351
Soviet Imports	185	304
Natural Gas	(91)	(175)
Other	(94)	(129)
NON-MILITARY Trade balance	<u>0</u>	<u>+ 47</u>

The trade is small when viewed as part of each countries total foreign trade. It is less than 3% of both Soviet exports and imports and 1% and 5% in the Iranian case. Iran in 1974, nevertheless, was Moscow's ^{the USSR's} third largest trading partner in the Third World. (Secret Notation) (u)

(a) Data are from official Soviet trade foreign trade yearbooks.



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① Associated Press 2 February 1975

② B & A Secret

③ 7BJS, 17 September 1973; State, Moscow 10826, 23 Oct 72 (Conf.)

④ B & A Secret

⑤ B & A Secret / NOFORN

⑥ & ⑦ Soviet Foreign Trade Handbook, 1974

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Soviet Arms Sales to Peru

Moscow has mounted a campaign to increase its arms sales to Lima, its only Latin American military aid [redacted] 25X1B

[redacted] were concluded with the Army. The Peruvians now are considering Soviet offers made to an all-service delegation that was in Moscow in August. 25X1B

Lima has expressed an interest in air defense equipment -- radar, anti-aircraft artillery and missiles -- ^{and} MIG-21s.

The Navy which has sidestepped previous Soviet overtures, also is considering a [redacted] OSA or Nanuchka class guided-missile patrol boats. 25X1B

Previous Soviet Arms Deals

The Soviet-Peruvian military supply relationship dates back only to 1973, when Lima turned to Moscow because of continuing restrictions on US sales and the inability of West European countries to meet Lima's requested delivery schedules for equipment. 25X1B

[redacted] acceptance of Moscow's military aid confirmed Lima's "non-aligned" stance.

Lima has signed two agreements thus far with the USSR: 25X1B

The first in 1973, included [redacted] T-55 tanks; 122MM and 130MM howitzers and truck-mounted BM-21 rocket launchers, and ZSU-23-4 anti-aircraft guns were also delivered.

Although initially satisfied with ^{the} Soviet ground equipment, problems are arising on tank maintenance because of ^{the} need for frequent repairs and a lack of spare parts. The Peruvian army, ^{the} is uneasy over the growing number of Soviet military advisors, that accompany arms arrivals, and the extensive training of Peruvians in the USSR. About 50 Soviet advisors are now in Peru and about 150 Peruvian military personnel are training in the USSR.

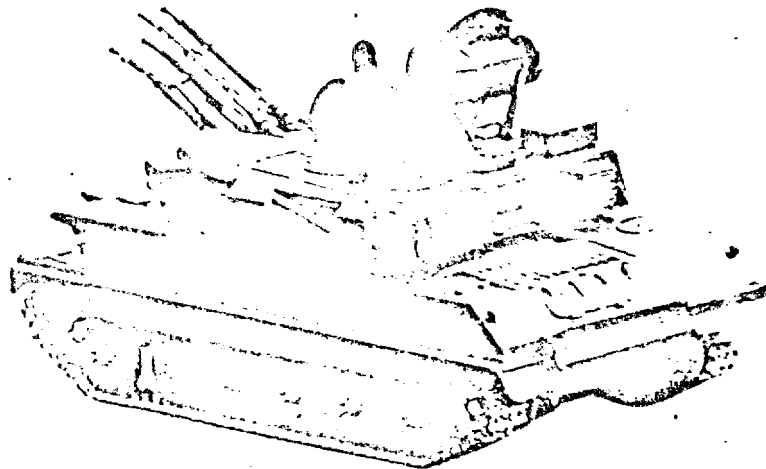
Although Peru is also discussing arms purchases with a number of Western countries, including the US, these sources cannot match the combination of price, credit terms, performance, and delivery schedules of the Soviet equipment offers. Thus, despite its preference for Western equipment and Lima's concerns over the Soviet presence, we expect recent Lima-Moscow discussions ^{to} may result in orders for high performance aircraft and naval vessels. Moscow ^{will like to sell the equipment to} also sees these as a means of demonstrating ^{this is able} its ability to compete in this market and possibly to expand its sales elsewhere in Latin America. (Secret Notorn)

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Antiaircraft Weapons

ZSU-23-4 23mm Self-Propelled
Antiaircraft Gun



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Soviet Trade with Less Developed Countries, 1974

Soviet-LDC trade increased in 1974 but at a slower pace than in 1973. Most of the growth resulted from higher prices rather than volume gains. Soviet 1974 imports from LDC's reached \$3.3 billion, up more than a third from the previous year mainly because of rising prices for oil and other primary products. Exports rose more slowly, up 17% to \$4.8 billion, as a consequence of reduced military deliveries. These trends caused the Soviet trade surplus with the LDC's to shrink from \$1.7 billion in 1973 to \$1.5 billion in 1974. As in previous years the main ingredient of the Soviet surplus was military sales. In 1974 the Soviets ran a \$0.5 billion deficit in non-military goods with LDC's while selling nearly \$2 billion in military goods.*

Moscow's Trading Partners

LDCs accounted for about 15% of Soviet trade in 1974, the same as in 1973. The Soviet share in LDC global trade,

* Soviet exports cannot be fully identified either by type of commodity or destination. A large difference exists between what the Soviets report as total exports to LDC's and the total derived by adding amounts they list for individual LDCs. We believe this export residual includes mostly military goods and in 1974 some grain shipments.

however, fell slightly to 2% because of the large increases in trade, in which Soviet participation is negligible.

India, Egypt, Iran and Iraq combined accounted for about a half of Soviet 1974 trade with the Third World. Egypt relied most heavily on this exchange as 25% of its trade was with the USSR: India's share was 8%, Iraq 6%, and Iran less than 5%. ~~Moscow ran non-military-trade~~ deficits with all these countries, except for Iran in 1974.

Elsewhere, rising prices accentuated Soviet deficits with major raw materials suppliers. Moscow's traditionally large deficit with Malaysia grew as rubber prices spiraled. Although Moscow was able to ease its Latin American deficit through oil sales to Brazil, the deficit remained at over \$250 million because of large agricultural purchases from Argentina and Brazil.

Price increases also affected traditional trading patterns. Soviet non-military trade with Syria showed a deficit for the first time because of higher prices paid for Syrian oil and cotton. Nigeria was propelled into second place among African partners because of a 65% increase in the price of cocoa beans. Algeria, which imported more Soviet building materials and edible oils at higher prices remained Moscow's largest African trading partner. Petroleum exports to Morocco helped to increase the USSR's usual surplus with Africa.

1974

Exports

Total Trade	<u>4761.4</u>
Residual	<u>2028.8</u>
OTHER	<u>1226.9</u>
Total	<u>1505.7</u>
Egypt	377.7
India	355.6
Iran	350.8
Iraq	240.6

of 5 billion

Imports

Total Trade	<u>3272.0</u>
Residual	<u>32.2</u>
OTHER	<u>1310.5</u>
Total	<u>1969.3</u>
Egypt	503.4
India	456.7
Iraq	357.4
Iran	303.5
MALAYSIA	248.2

Source - LDC TRADE
1974

Graphic

EXPORT
PENDING
OTHER
EGYPT
INDIA
IRAN
Iraq

IMPORTS
OTHER
EGYPT
INDIA
IRAN
IRAQ
MALAYSIA

Soviet Exports to and Imports from LDCs 1/

Million Current US \$

	1974			1973		
	Total	Exports	Imports	Total	Exports	Imports
Total Trade 2/	8,038.4	4,761.4	3,272.0	6,474.6	4,063.8	2,410.8
Unallocated Residual 3/	2,061.0	2,028.8	32.2	2,192.7	2,156.8	35.9
LDC Total	5,972.4	2,732.6	3,239.8	4,281.9	1,907.0	2,374.9
Africa	780.9	445.9	335.0	551.9	284.6	267.3
Algeria	226.6	145.6	81.0	157.6	87.3	70.3
Cameroon	16.2	1.3	14.9	5.6	0.9	4.7
Cair	0.7	0.7	--	0.5	0.5	--
Congo	5.2	2.6	2.6	5.1	1.6	3.5
Dahomey	2.1	2.1	--	4.6	1.8	2.8
Ethiopia	8.2	3.4	4.8	5.2	2.2	3.0
Ghana	65.9	33.4	32.5	50.9	13.1	37.8
Guinea	36.1	29.6	6.5	59.0	56.4	2.6
Ivory Coast	37.3	11.4	25.9	13.7	5.3	8.4
Kenya	1.3	0.5	0.8	0.3	0.3	0
Libya	37.6	37.6	--	60.0	19.0	41.0
Malagasy Rep	0.9	--	0.9	0.4	0	0.4
Mali	6.4	5.5	0.9	4.3	3.6	0.7
Morocco	115.0	71.4	43.6	73.4	38.2	35.2
Nigeria	121.3	28.4	92.9	53.8	14.8	39.0
Rwanda	1.0	1.0	--	0.9	0.4	0.5
Senegal	21.5	21.5	0	6.6	6.6	0
Sierra Leone	1.4	1.4	--	3.6	1.6	2.0
Somalia	24.8	22.2	2.6	17.0	15.5	1.5
Sudan	8.2	5.0	3.2	8.4	3.4	0
Tanzania	6.7	3.0	3.7	4.2	0.8	3.4
Togo	2.2	2.2	--	1.9	1.9	--
Tunisia	22.6	10.7	11.9	15.1	7.8	7.3
Uganda	7.5	1.2	6.3	4.4	1.2	3.2
Zambia	4.2	4.2	--	0.4	0.4	--

	1974			1973		
	Total	Exports	Imports	Total	Exports	Imports
<u>Europe</u>	209.0	170.9	38.1	56.3	42.0	14.3
Malta	2.8	1.6	1.2	11.5	1.5	0
Portugal	9.5	8.3	0.8	--	--	--
Spain	197.1	161.0	36.1	54.8	40.5	14.3
<u>East Asia</u>	328.8	23.2	305.6	163.2	18.8	144.4
Burma	4.5	4.1	0.4	3.3	2.6	0.7
Indonesia	36.9	10.6	26.3	9.3	3.6	5.7
Malaysia	249.1	0.9	248.2	131.7	1.2	130.5
Singapore	23.7	5.9	17.8	12.9	8.6	4.3
Thailand	14.6	1.7	12.9	6.0	2.8	3.2
<u>Latin America</u>	552.9	144.0	408.9	401.1	34.1	367.0
Argentina	181.5	7.9	173.6	103.6	6.1	97.5
Bolivia	20.4	5.4	15.0	21.9	5.4	16.5
Brazil	266.6	118.8	147.8	169.8	12.5	157.3
Colombia	7.0	1.3	5.7	13.6	1.1	12.5
Costa Rica	2.9	0.8	2.1	7.2	0.3	6.9
Dominican Republic	--	--	--	21.1	--	21.1
Ecuador	6.5	0.7	5.8	1.2	0.3	0.9
El Salvador	--	--	--	5.0	--	5.0
Guatemala	--	--	0	5.8	--	5.8
Guyana	6.2	0.3	5.9	9.3	0	9.3
Jamaica	12.5	--	12.5	5.3	--	5.3
Mexico	3.1	1.4	1.7	0.8	0.7	0.1
Peru	12.3	6.1	6.2	26.6	5.8	20.8
Uruguay	33.6	1.0	32.6	8.3	1.1	7.2
Venezuela	0.3	0.3	--	1.6	0.8	0.8

	1974			1973		
	Total	Exports	Imports	Total	Exports	Imports
Near East and South Asia	4,100.3	1,948.6	2,152.2	3,109.4	1,527.5	1,581.9
Afghanistan	161.6	81.6	80.0	193.8	45.5	48.3
Bangladesh	76.7	52.8	23.9	71.9	58.7	13.2
Cyprus	26.1	14.2	11.9	17.2	10.3	6.9
Egypt	961.1	397.7	563.4	730.5	374.2	356.3
Greece	204.5	117.5	87.0	106.9	57.5	49.4
India	812.4	355.6	456.8	794.9	300.8	494.1
Iran	654.3	350.8	303.5	373.9	185.4	188.5
Iraq	598.0	240.6	357.4	448.3	191.0	257.3
Jordan	8.2	3.2	--	3.4	3.4	--
Kuwait	8.2	6.2	--	10.7	10.7	--
Lebanon	43.5	33.7	9.8	25.8	15.5	10.3
Nepal	2.8	2.8	0	1.3	0.9	0.4
North Yemen	11.3	11.2	0.1	4.9	4.6	0.3
Pakistan	72.4	39.9	32.5	49.1	17.0	32.1
Saudi Arabia	3.7	3.7	--	3.9	3.9	--
South Yemen	20.0	19.9	0.1	15.6	15.5	0.1
Sri Lanka	45.1	29.3	15.8	17.7	8.5	9.2
Syria	227.5	92.5	135.0	160.3	97.3	63.0
Turkey	170.4	95.4	75.0	179.3	126.8	52.5

1. Data are from the official Soviet foreign trade yearbook for 1974, converted at \$1.35 per ruble for 1973, and \$1.32 per ruble for 1974. Because of rounding, components may not add to totals shown.
2. Greece, Malta, Portugal and Spain have been added to the LDC total shown in the yearbook.
3. Residuals are computed by subtracting the summation of trade for individual less developed countries from the total for Soviet-LDC trade listed in the foreign trade yearbook.

Economic Activities

Africa

General

Romanian economic relations with the Third World focused on African countries, . Bucharest signed its first trade and cooperation agreements with Guinea-Bissau and signed an annual trade protocol with Guinea. Increased Romanian economic activity is envisioned under protocols signed with Sudan and Mali. In Sudan, Romania will participate in developing machine building, chemical, mining and timber industries, presumably to be financed under a 1971 \$75 million credit agreement. A series of joint ventures in mining, petroleum, light industry and agriculture are planned in Mali. A team of Romanian geological experts is expected soon in the Ivory Coast, following October discussions on mining cooperation. (u) FBIS various.

During October, the USSR inaugurated service on a new shipping line, serving East African ports. (u) FBIS 3 Nov 75.

Algeria

Under a \$68 million contract Czechoslovakia and East Germany will jointly participate in a factory to produce pumps for water, chemical processing and petroleum. The terms of the contract are probably commercial. (u) JPRS 65893, 9 Oct 75.

Congo

Bulgaria agreed early in October to provide \$10 million in credits for Congolese development projects. Contracts were signed for feasibility studies on stock-breeding complexes, and a joint company was established for exploration and exploitation of phosphates and other minerals. (u) BBC MEW 14 Oct 75.

Gabon

On 21 October, China agreed to provide \$25 million of credits to Gabon for agricultural machinery and light industrial projects. The Terms are somewhat harder than for most recent Chinese agreements -- five years grace followed by ten years for repayment. LIBREVILLE 1697, 23 Oct 75, ~~000~~ (F040)

Guinea

The USSR is scheduled to receive 2.5 million tons of bauxite from the Soviet developed Republics. Part of the shipments will be used as payments; the remainder is to be shipped on barter terms.

Guinea has terminated its bilateral clearing account arrangements with Bulgaria, Czechoslovakia and Romania and plans to renounce all of its remaining clearing agreements. A hard currency trade and payments agreement signed with Romania on 2 October is expected to serve as a prototype for agreements with other Communist trading partners. Guinean trade officials claim that its exports to Communist countries have been undervalued and that hard currency settlements will enable it to maximize the benefits from that trade. Bauxite, its major export to Communist countries, presumably will be ~~referred~~ by country decision. CONAKRY 1547, 3 Oct 75 (FOUO)

Liberia

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The USSR and the Liberians plan to finance a fishing venture, a citrus processing plant and an animal feed plant. The fishing project includes trawlers, modification of docking facilities, and construction of a processing plant. Liberian officials are expected to veto the Soviet proposals.

Libya

The October visit of the Czech Premier to Libya apparently dealt largely with political issues. The only economic agreement calls for establishing an international commission to study means to broaden industrial cooperation. (C). PRAGUE 2677, 17 Oct 75.

A Libyan oil delegation to Bucharest signed agreements for Romanian equipment and technical assistance for oil drilling and exploration and the construction of petrochemical and fertilizer plants. The terms of the agreements were not revealed. (U) BB & EE, 4 Sep 75.

Malagasy Republic

The USSR and Malagasy Republic signed an economic cooperation agreement in Tananarive on 29 October under which the USSR will provide a 150KW transmitter, educational equipment and technical assistance, a feasibility study for a cement plant and assistance for mining research. The USSR agreed to study Malagasy proposals for a dam, agro-industrial projects, and road construction. A trade agreement signed at the same time calls for establishing a Soviet commercial office in Tananarive to expand trade between the two countries. (C) TANANARIVE 1835, 1 Nov 75, C.

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Morocco

The Moroccan government has ordered a slowdown in negotiations with the USSR, to limit any increase in Soviet activities or presence in Morocco at this time. Negotiations on the Meskala phosphate development project reportedly will be affected by the new instructions. The agreement for the project was scheduled for signature by the end of 1975. [REDACTED] It was

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Nigeria

A team of Chinese technicians arrived in Lagos to assist in the development of small-scale metal, woodworking and leather industries in Nigeria. FBIS 23 Oct 75.

Rwanda

A Rwandan delegation was in Peking in early October, probably to discuss procurement of commodities under Rwanda's \$22 million Chinese credit. BB & FE, 17 Oct 75.

Somalia

Somalia and Hungary signed a long-term trade agreement and a technical assistance agreement during the visit of the Hungarian President to Mogadiscio. Hungary has promised aid in agriculture, and animal husbandry, and technical training. FBIS 31 Oct 75. THEIR FIRST

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East Asia

Burma

A 21-member Burmese government industrial delegation arrived in China on 24 October, probably to discuss Chinese economic assistance proposals reportedly made to Burma's Foreign Minister in September. Burma's President is expected to visit Peking in mid-November. (c)
RANGOON 3044, 22 Oct 75, c

Indonesia

A team of Soviet engineers recently completed a study for a hydroelectric plant in Indonesia, the first of six projects planned under an economic agreement concluded last December. A contract is expected to be signed by the end of the year. (c)
MOSCOW 14081, 2 Oct 75, c

Philippines

The Philippines announced that a Soviet delegation is expected in Manila in November to continue negotiate the establishment of diplomatic relations. 1845 (u)

Singapore

An official trade delegation departed for a two week visit to China at the invitation of Chinese trade officials. Members include government officials and representatives of Singapore's manufacturing, trading and banking sectors. SINGAPORE 4521, 20 Oct 75, LOU (FOUO)

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Europe

Cyprus

On 1 October Cyprus announced signing its first economic and technical cooperation agreement with the USSR.

agreements, the new accord puts no dollar value on the assistance. It is a general framework agreement under which Moscow will extend credits for specific projects after they are agreed to. Projects mentioned include dams and a new airport at Nicosia. Earlier this year contracts

Nicosia bought ~~were signed for Soviet supply of two fertilizer plants under long term credits.~~ (u) FBIS 20 May 75, Nicosia 2935, 3 Oct 75, U.

Portugal

~~from the Soviet~~
During President Costa Gomes October visit, the USSR and Poland promised no aid and deferred final decisions on trade deals. In mid-October the USSR did agree to purchase about \$18 million of agricultural goods, and Poland continued discussions on repair contracts for Polish ships and construction of transport equipment in Portugal. Warsaw and Lisbon also are considering a fishing agreement to give technical assistance to Portugal's fishing industry and to give each country free access to the other's ports. 25X1A

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The first session of the Bulgarian-Portuguese Joint Commission, meeting in Lisbon at the end of October, signed long term agreements on economic cooperation, and merchant shipping. (u) FBIS 21 Oct 75.

Latin America

Argentina

The East German Foreign Trade Minister arrived in Argentina on 14 October for talks on expanding trade. Formal trade exchanges between the two countries were renewed last year following a twelve year hiatus. (u) FBIS 15 Oct 75.

Brazil

Romania has offered petro-chemical plants to Brazil under 12 year credits similar to the \$150 million credit extended earlier this year for steel-making equipment. (u) PRS 65971 21 Oct 75, U.

Mexico

On 1 October Mexico and the USSR signed an agreement on scientific and technical cooperation in nine broad fields, including energy, geology and oceanography, all of major interest to Mexico. Experts from both countries will jointly carry out the research. Moscow 14482, 9 Oct 75, (u) FBIS 14482, 9 Oct 75, U.

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Peru

On 30 September at the end of his first visit to Peru, the East German Foreign Minister announced the purchase of \$28 million of Peruvian metals including copper, silver and zinc. The purchase is the GDR's first major order for metals under a May agreement to expand trade exchanges. The Peruvian and German Foreign Ministers also signed a cultural agreement for student and teacher exchanges. (FOUO)
Lima 8207 2 Oct 75 LOU, JPRS65893 9 Oct 75.

Hungary recently extended Peru a \$10 million supplier's credit for wheat and other food. Repayment is due 2 years after delivery at 7% interest. (U) Bank of London & S. America Sep 75.

Near East and South Asia

Afghanistan

The USSR and Afghanistan recently signed contracts for Soviet project surveys that will be financed under a 1975 agreement to provide aid. Surveys that will take five months to complete, will be made for four bakeries, a large grain silo in Mazar-i-Sharif, two mills and expansion of another bakery.
FE/844/A/29 17 Sep 75, (U)

Egypt

On 30 September Hungary extended \$25 million of 5-8 year credits for Egyptian development projects, under open international bidding. Egypt and Hungary also agreed to settle their trade accounts in hard currency beginning 1 January 1976. (U) JPRS - Cairo MENA 30 Sep 75
O, Egyptian Gazette 1 Oct 75.

India

The Soviet Union will begin delivery in 1976 of \$20 million of equipment for the Mathura oil refinery. Credits for the six-million ton plant are from a 1966 Soviet credit.
JPRS - Delhi Domestic Service 24 Sept 75, (U)

Iran

A 4 October protocol provided for the Bulgarian sale to Iran of railroad passenger cars, 400 freight cars and various agricultural products. The two sides also plan to cooperate in agro-industrial enterprises in Iran under \$20 million of previously extended Bulgarian trade credits. A delegation will visit Tehran soon to discuss several of these projects including poultry raising, dairies, and canning plants. (U) FBIS 6 Oct, 3 Oct 1975.

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Iran

Iran's Prime Minister returned from Czechoslovakia early in October following trade discussions. As a result of the talks Prague agreed to supply equipment to expand the Czech-built Tabriz machine tool plant and construct several agro-industrial projects. In return, Tehran will sell machinery and possibly gas to Prague. A joint ministerial commission will meet later this year for further discussions on these projects. It will also consider new Czech proposals for setting up a brass factory and cement and power plants in Iran. (C) FBIS 24 Oct 75, Prague 2585, C, 3 Oct 75, FBIS 9 May 75.

The sixth session of the Iranian-Polish Joint Ministerial Commission ended in Warsaw on 9 October with the signing of a new protocol on economic cooperation. Under the agreement annual trade is expected to rise to \$100 million through increased exchanges of Iranian industrial goods and Polish agricultural products, fertilizer and ships. Tehran and Warsaw also agreed to set up joint projects in Iran, including textile and sugar mills and a tin concentration plant. A Polish delegation is expected in Iran soon to discuss additional proposals for joint ventures, including a cheese factory in Iran and a paper mill in Poland. The two countries will create a manpower sub-committee, which will meet annually to discuss Polish aid to Iran for technical training. (U) FBIS 10 Oct 75.

Tehran reportedly agreed to provide a \$200 million advance payment to obtain needed Polish goods.

Iraq

25X1D□

The Chairman of the Polish State Council paid a mid-October visit to Iraq to discuss Polish economic aid for various projects and sugar refining, presumably under a 1972 \$100 million credit. The joint Iraqi-Polish Commission will continue these discussions at its annual meeting in early December. (U) FBIS 24 Oct 75.

contract for exploitation of the Luhais oil field in southern Iraq, expected to produce at least 50,000 barrels of crude a day. Moscow, which has done exploratory work in the field, under credits extended in 1969, also will help construct a gas separation unit, a pumping station, storage tanks, a power plant, and a 50-60 mile pipeline connecting the new field with other Iraq pipelines. Financing arrangements for the estimated \$50 million program were not announced. (U) FBIS 22 Oct 75.

Jordan

On 19 October the Joint Jordanian-Romanian Commission signed a protocol for Romanian aid to expand the Az-Zarga oil refinery. The Commission also discussed Romanian participation in oil and water prospecting, a new oil refinery in Agaba, a cement plant, and several agricultural projects, probably on commercial basis. (U) FBIS 20 Oct 75.

Kuwait

At the end of October, a Kuwaiti delegation was scheduled to sign a 20,000 ton fertilizer contract in Peking. In the past Peking has purchased 200,000 tons of Kuwaiti fertilizer annually but has signed no contracts this year because of high prices. 25X1A

25X1A

Kuwait has concluded two agreements with Poland, one on economic and technical cooperation, the other on long range trade and payments. Poland will cooperate in developing Kuwait's petrochemical industries, presumably with a view to securing long term supplies of Kuwaiti oil. (U) MEED 24 Oct 75

Pakistan

An aid protocol signed prior to Prime Minister Bhutto's 23 October departure for Bucharest portends increased Romanian participation in Pakistan's industrial development under \$56.5 million of credits extended in July 1973. Romania will help set up a dairy, textile mills, food preservation and storage plants and will drill for oil in the TUT field near Rawalpindi. Romania also expressed interest in helping construct an oil refinery at Multan and conducting phosphate exploration in the Hazara district. (U) SWB/FEIWS411/A/36 27 Aug. 75 FBIS 17 and 21 Oct U

South Yemen

The USSR and South Yemen recently signed contracts for Soviet aid for petroleum exploration. Moscow will prospect for oil in the east and conduct an aerial geophysical survey under a 1972 \$40 million credit agreement. (U) SWB 2 ME844/A1/5 16 Sep 75. II.

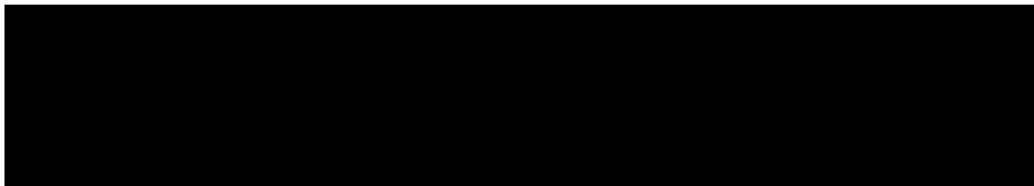
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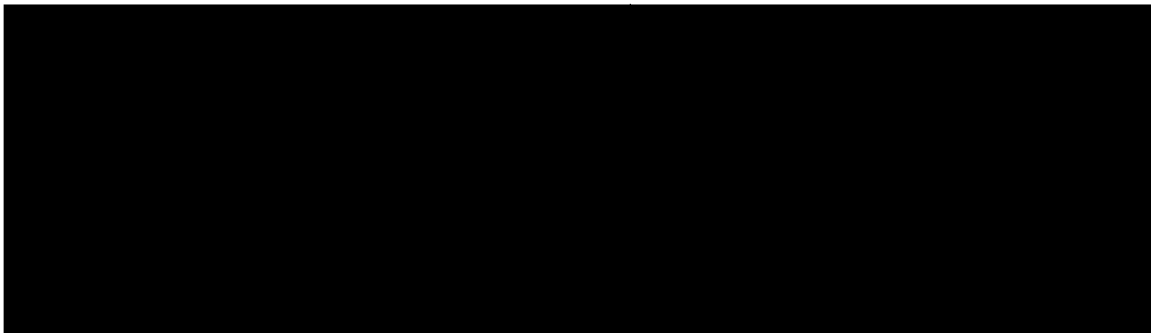


25X1D, A□

Morocco

The USSR made deliveries in October of rocket launchers, 20 trucks and small arms contracted for by Morocco in July. (C) IR686502 8075 C 9 Oct 75.

Nigeria



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rig

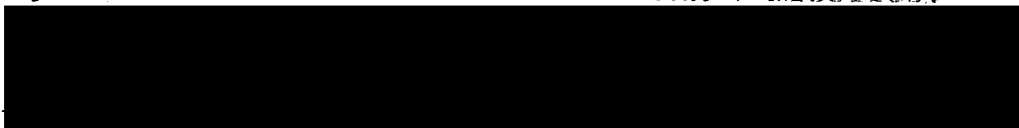
Tanzania

Peking currently is helping Tanzania to construct a military and political academy at Munduli. The school, scheduled for early 1976 completion, has a planned enrollment of 960 cadets. (U) FBIS 22 Oct.

The USSR recently delivered 130MM artillery pieces and an unknown number of SAM-7 missiles.

25X1B

25X1B



Zaire

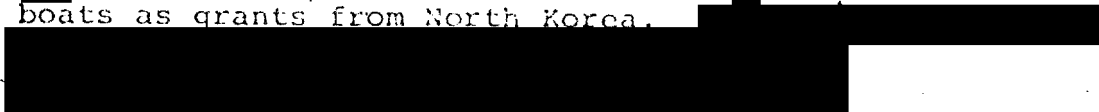
During October, Zaire received 130MM guns, jeep-mounted rocket launchers and torpedo boats as grants from North Korea.

25X1B

25X1B

25X1B

25X1B



25X1A

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25X1C

Near East and South Asia

25X1A

India An Indian Air Force representative went to Moscow in mid-October to conclude negotiations for additional AN-12 transport aircraft--the mainstay of India's tactical transport sector.

25X1B

25X1D

South Moscow delivered MIG-21 aircraft to Aden in late
Yemen September.

25X1B

25X1B

Syria The USSR concluded a major new arms agreement with Syria, during President Asad's October visit to Moscow, Asad was seeking MIG-25 reconnaissance aircraft, as well as additional MIG-23 jet fighters and surface-to-air missile equipment. Acquisition of the MIG-25 Forbat would be a large new feather in Asad's political cap both as a demonstration of Syrian strength and of Soviet support for its policies. (C) Moscow 15212 22 Oct 75, C AP 18 Oct 75.

25X1B

25X1B

25X1A

Since mid-year, Syria also has signed at least two important arms agreements with Czechoslovakia. In June, Damascus contracted to buy trucks, mainly Tatra 148s for towing artillery pieces. Syrian President Asad's September trip to Prague reportedly resulted in an order for L-39 jet trainer aircraft and possibly some armored vehicles.

25X1A

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